



PERSonnel UPDATES

The Newsletter for Authorized Agents & Personnel/Payroll Officers

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NDPERS
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Events & Mailings

NDPERS Board Vacancy

Due to the retirement of David Gunkel, there will be a vacancy on the NDPERS board which requires that the board conduct a special election. For information, please view the flyer at the end of this newsletter. Please print this flyer and display it in a prominent location for your staff, such as a staff break-room or bulletin board.

Annual Enrollment Season – 2006 Plan Year

The annual enrollment for the NDPERS health, life, FlexComp and voluntary insurance plans, which includes the dental, vision, and the long term care plans began on October 3, 2005 and will end November 15, 2005. Coverage is effective January 1, 2006 for the health, FlexComp, dental and vision plans. **An approved life insurance increase will be effective the later of the first of the month following the date of approval or January 1, 2006.** Long term care becomes effective the first of the month following approval from UNUM.

At this time employees of county, city, school or health districts are not eligible to participate in the voluntary insurance plans.

The [publications](#), [payroll memos](#), and [enrollment forms](#) are available on the NDPERS website. Please use the enrollment forms posted on the website. Outdated forms will not be accepted. **Members MUST file enrollment forms to their payroll office by 5:00 p.m. on Tuesday, November 15th, 2005 (no exceptions).**

Instructions for processing annual enrollment forms using PeopleSoft Benefits Administration will be sent

out by the end of October to agencies who are using the State/Higher Ed PeopleSoft payroll system.

Wellness Coordinators

The NDPERS Wellness Forum has been scheduled! Please mark your calendars for Wednesday, November 9th, 2005. We will have the Wellness Forum in the Heritage Center Auditorium. It is scheduled to start at 8:30a.m. and go until 4:30p.m. This will be the only one that we will have. There will be information presented that will help you in creating your Wellness Plan. It will be web cast for those who cannot make the trip to Bismarck. However, only those present at the Wellness Forum in the Heritage Center will receive any items distributed from the vendors that are scheduled to speak. We will be sending out an invitation to the Wellness Coordinators in the near future. The agenda will be posted on the website prior to the Forum. All slides and other materials will be available on the website after the Wellness Forum.

2006 Deferred Compensation Plan Limits

The maximum deferral limits for the NDPERS 457 Deferred Compensation plan established by the Internal Revenue Code will increase January 1, 2006 to an annual limit of \$15,000 for calendar year 2006. For participants age 50 or older, the contribution limits will increase by \$5,000 to an annual maximum of \$20,000 for 2006. Any employee who attains age 50 in 2006 is eligible to begin the 50+ additional catch-up-limit in January.

The annual limits for participants enrolled in the deferred compensation plan regular 3 year catch-up option will also increase for calendar year 2006 to \$30,000.

Employees who wish to increase their deferred compensation plan contribution to the maximum limit allowed beginning January 1, 2006, will need to complete the [Participant Agreement for Salary Reduction SFN 3803](#) in November for payroll periods beginning in December, paid January. The [Participant Agreement SFN 3803](#) must be completed and returned to the PERS office by December 15th.

Dental Plan Premium Increase

At its July meeting, the NDPERS Board reviewed ReliaStar's renewal proposal for the January 1, 2006 plan year. ReliaStar proposed a 3% rate adjustment for next year. This increase is the result of high utilization of services and the effects of inflation. The Board accepted ReliaStar's renewal proposal. Effective January 1, 2006 the following are the new rates:

Level of Coverage	Active Premium	COBRA Premium
Individual	\$33.54	\$34.21
Individual & Spouse	\$64.58	\$65.88
Individual & Child(ren)	\$75.22	\$76.73
Family (employee, spouse, child(ren))	\$106.30	\$108.43

Important Updates

Update on Kits & Employer Guide

All of the [kits](#) are updated and have been posted. The kits will be updated as needed for rate changes in 2006. Now that all the kits are updated and available we need to address the following items:

- The kits are required to be dispersed to a terminating member to ensure that the employer's obligation to distribute plan termination notifications has been met.
- The [Refund/Rollover Kit SFN 53725](#) has been updated and we will no longer accept Notice of Termination and Application for Refund, Direct Rollover or Later Withdrawal for Terminating Employees SFN 17032.
- If an employee leaves employment and does not complete a kit, the employer should complete a [Notice of](#)

[Status or Employment Change SFN 53611](#) and submit it to PERS.

- There is some confusion about who needs to complete The [Refund/Rollover Kit](#) and the [Deferred Retirement Kit](#). Regardless of whether a terminating employee has met the vesting requirement of 36 months for the Defined Benefit Plan, **all** terminating employees that participate in PERS retirement will need to complete **either** the [Refund/Rollover Kit SFN 53725](#) or the [Deferred Retirement Kit SFN 53724](#) to elect to receive a distribution or leave the funds at PERS.
- Please use the [New Hire Kit](#) instead of the old forms. We will accept the old forms through December 31, 2005. Effective January 1, 2006, we will only accept the forms in the [New Hire Kit](#).

Also, the [Employer Guide](#) is now available. We encourage you to reference this online guide for the latest version of forms and procedures for all PERS benefits.

When Preparing W-2 Forms

If the employee is participating in the NDPERS Retirement Plan, check the "Retirement Plan" box in box 13 on the W-2 form. The NDPERS Retirement Plan is a qualified plan as described in section 401(a).

If the employee is participating in the NDPERS 457 Deferred Compensation Plan, use "Code G" in box 12 on the W-2 form.

If you have questions, call Sharon at (701) 328-3902.

Administrative Requirements for Monthly Retirement Benefits

Eligibility for benefits will be effective on the first day of the month following the date of your final paycheck from your employer. The first benefit **payment** will be made on the first working day of the month **following the eligibility date**.

The above is contingent on the employer and employee completing a [Retirement Kit SFN 53723](#) and sending it to NDPERS within 30-60 days prior to retirement. In accordance with laws governing

processing retirement benefits, NDPERS must receive an [Application for Retirement Benefits SFN 2562](#) and appropriate legal documentation at least 31 days before retirement or before the distribution of the first retirement check. If documents are **filed** too late, the payment will be delayed.

Requirements for Participation in the Defined Benefit Plan for Elected & Appointed Officials

As many of our employers have newly elected, re-elected and appointed officials filling positions effective in December or January, the [Memorandum](#) is available as a reminder regarding eligibility for participation in the Defined Benefit Plan.

If you are unable to view this memorandum on the website, please contact Rebecca Fricke at (701) 328-3911 to request that a hard copy be mailed to you.

Returning Reservists & PERS Retirement

PERS has received a number of calls from employees returning from active military duty. The active duty may be covered under the Uniformed Services Employment and Re-employment Rights Act, (USERRA). To notify PERS of the return, a [Notice of Status or Employment Change SFN 53611](#) must be completed by the employee's employer. Additional information regarding how the leave of absence impacts the PERS retirement plan for these returning reservists is available under the NDPERS News section.

Legislation passed last session in HB 1069 amended the way the 4% employee contribution is paid into the Main System Defined Benefit, Highway Patrol and Defined Contribution Plans for returning reservists. Specifically the changes are:

1. For eligible veterans returning after the passage of the bill, the employer must pay the employee contribution for missed service for returning veterans in the same manner that the employer would have paid it had the veteran not been called into active duty.
2. For eligible veterans who returned to service since the passage of the Uniform Services Employment and Reemployment Rights Act,

which became effective October 1, 1994, the employer must pay the employee contribution for that service in the same manner as outlined above in #1. An appropriation is provided in section 19 of HB 1069 for this purpose.

3. Provides that any past payments made by returning veterans that would qualify for employer payment since the passage of USERRA would be refunded to the employee and paid by the employer.

The above changed our statute which required the returning eligible veteran to pay the employee contribution of 4% for past service. The bill became effective as of July 1, 2005. The amendment requires that the veteran make application to the employer. To assist in the application process, PERS revised the [Purchase Agreement for USERRA Covered Military Active Duty SFN 17758](#) and posted it to the PERS website on July 1. This form is required so that the cost of the purchase can be determined.

Also, for those individuals who HAVE made payment to NDPERS for eligible service that are now eligible to receive a refund from the employer for the service under # 3 above, a new form has been created to assist in the verification process. A [Verification of Employee Contributions towards USERRA Active Military Duty SFN 54361](#) should be completed by the reservist and employer prior to submitting it to NDPERS. Upon receipt, NDPERS will verify the eligibility of the reservist to receive a refund by the employer and will document on the form the amount that the employer is required to pay based on this law change. A copy of the completed form will then be provided to both the reservist and the employer.

Medicare Secondary Payer Requests

If your agency/group receives any correspondence about payments or billings for an individual from Medicare, please send it to Bryan Reinhardt at NDPERS. The Medicare Secondary Payer data match program sometimes mails notifications directly to the employer. BCBS needs this information to properly respond to the request. NDPERS will forward the materials to the appropriate person at

BCBS. If you have any questions, please contact Bryan at 328-3919.

Revised Materials

This section features a listing of revised forms and/or publications by program for your reference.

All Plans:

- [Deferred Retirement Kit SFN 53724](#)
- [Disability Retirement Kit SFN 53726](#)
- [New Hire Kit SFN 54360](#)
- [Refund/Rollover Kit SFN 53725](#)
- [Retirement Kit SFN 53723](#)
- [Transfer Kit SFN 53728](#)

Deferred Compensation:

- [Rollover/Transfer Form SFN 50177](#)

Defined Benefit:

- [Defined Benefit Hybrid Retirement Plan Handbook](#)
- [Highway Patrol Plan Handbook](#)
- [Judges Plan Handbook](#)
- [Law Enforcement Plan Handbook](#)
- [National Guard Plan Handbook](#)

Defined Contribution:

- [Defined Contribution Plan Handbook](#)

FlexComp:

- [Authorization for Direct Deposit of FlexComp Reimbursements SFN 53852 \(01-05\)](#) - Please be advised that the Authorization for Direct Deposit of FlexComp Reimbursements (SFN 53852) need only be completed for employees paid through their agency's payroll system. This form does NOT need to be completed for employees paid through OMB.

Group Insurance:

- [Life Insurance Designation of Beneficiary Change SFN 53855](#)
- [Life Insurance Enrollment/Change SFN 53803](#)

Board Meeting Highlights

Complete [meeting minutes](#) are available.

June 16, 2005

- Received an update on the Employer Based Wellness Program.
- Discussed IRS Notice 2005-42 regarding the FlexComp plan.
- Approved the treatment of rollovers into the 457 plan as regular 457 contributions subject to hardship stipulations.
- Approved the Audit Committee Charter.

July 21, 2005

- Approved continuation of the smoking cessation program for state employees in conjunction with the Health Department and BCBS.
- Received an update on the EAP renewal process.
- Approved the dental renewal proposal from ING effective for January 1, 2006.
- Were provided with a brief overview of the experience study for the NDPERS retirement plan.
- Were provided with the findings of the asset liability study.
- Approved the Administrative Agreement for BCBS for the group health plan.
- Received an update on the HIPAA Security Policies & Procedures as it relates to NDPERS.
- Reviewed information provided by BCBS on the mail order program for prescriptions.

August 18, 2005

- Received an update on the Wellness Pilot Program.
- Were provided with an overview of the experience study.
- Received information from the State Investment Officer regarding the progress of the fund and its asset allocation.
- Approved the final average salary index to be used for deferred members of the Highway Patrol Retirement System.
- Discussed the activity of the Medicare Rx retiree working group and the implementation of a prescription drug plan (PDP).
- Were provided with a memo from BCBS that indicates they will be utilizing the Prime National Network effective December 1, 2005.
- Approved the Administrative Agreement for Prudential relating to the group life insurance plan.
- Received an update regarding the 2005 EPO open enrollment.
- Approved the loss of active provider status for two 457 plan providers (Chase Insurance and ING).
- Approved Plan Document changes for the 457 Deferred Compensation plan.

Look forward to receiving via email your next edition of the PERSONnel Updates @ January 15, 2006.

This newsletter is intended to provide general information and may not be considered to be a legal interpretation of law. Statements contained in this newsletter do not supersede the North Dakota Century Code or Administrative Code or restrict the authority granted to the Retirement Board. This information is subject both to changes made by the legislature and rules and regulations established by the Board of the North Dakota Public Employees Retirement System.





NDPERS BOARD ELECTION

ONE VACANCY FOR ACTIVE MEMBER

Term Expires June 30, 2009

ELIGIBILITY:

- Any active employee of a department of the State of North Dakota, or of a political subdivision who participates in NDPERS.
- Members from the Department of Public Instruction and Department of Commerce currently serve on the Board, so employees from those agencies are not eligible to become candidates.

BOARD RESPONSIBILITIES:

- Is the administering body to manage the Public Employees Retirement System, Judges, Highway Patrol, National Guard, and Law Enforcement Retirement Systems, the Uniform Group Insurance Program, Section 457 Deferred Compensation Plan, Prefunded Retiree Health Credit Program, and the Section 125 FlexComp Program.
- The Board consists of seven members. The chairman is appointed by the governor. Three members are elected by the active membership, one member is elected by the retired membership, there is an attorney general appointee, and one member is the state health officer.
- Three of the elected members are selected by the board to serve on the State Investment Board.
- The board meets once a month in Bismarck with the meetings generally lasting four to five hours. Board members are paid \$62.50 per meeting.

CANDIDATE REQUIREMENTS:

- Eligible individuals must obtain the signatures of 100 active NDPERS members to be nominated as a candidate for the vacancy. Nomination petitions are available from the NDPERS office at 400 East Broadway, Suite 505, Bismarck, ND.
- You may request this information in writing, by phone or through our e-mail address at ndpers-info@state.nd.us.
- The deadline to submit petitions is 4:00 p.m., Friday, November 4, 2005.
- Election ballots will be mailed to active members the week of November 21, 2005.
- Ballots must be returned no later than the close of business on Friday, December 16, 2005.
- Election returns will be tabulated on Monday, December 19, 2005.

Questions: Please call the NDPERS office at 701-328-3918 or toll free at 1-800-803-7377 if you are outside the Bismarck-Mandan calling area.